

Form 3115 (Rev. 12-2003)

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Schedule A - Change in Overall Method of Accounting (if Schedule A applies, Part I below must be completed.)**Part I Change in Overall Method** (see instructions)

- 1 Enter the following amounts as of the close of the tax year preceding the year of change. If none, state "None." Also, attach a statement providing a breakdown of the amounts entered on lines 1a through 1g.

- a Income accrued but not received
- b Income received or reported before it was earned. Attach a description of the income and the legal basis for the proposed method
- c Expenses accrued but not paid
- d Prepaid expenses previously deducted
- e Supplies on hand previously deducted and/or not previously reported
- f Inventory on hand previously deducted and/or not previously reported. Complete Schedule D, Part II
- g Other amounts (specify) _____
- h Net section 481(a) adjustment (Combine lines 1a through 1g.)

Amount
\$
\$

- 2 Is the applicant also requesting the recurring item exception under section 481(h)(3)? ☐ Yes ☐ No
- 3 Attach copies of the profit and loss statement (Schedule F (Form 1040) for farmers) and the balance sheet, if applicable, as of the close of the tax year preceding the year of change. On a separate sheet, state the accounting method used when preparing the balance sheet. If books of account are not kept, attach a copy of the business schedules submitted with the Federal income tax return or other return (e.g., tax-exempt organization returns) for that period. If the amounts in Part I, lines 1a through 1g, do not agree with those shown on both the profit and loss statement and the balance sheet, explain the differences on a separate sheet.

Part II Change to the Cash Method For Advance Consent Request (see instructions)

Applicants requesting a change to the cash method must attach the following information:

- 1 A description of inventory items (items whose production, purchase, or sale is an income-producing factor) and materials and supplies used in carrying out the business.
- 2 An explanation as to whether the applicant is required to use the accrual method under any section of the Code or regulations.

Schedule B - Change in Reporting Advance Payments (see instructions)

- 1 If the applicant is requesting to defer advance payment for services under Rev. Proc. 71-21, 1971-2 C.B. 545, attach the following information:
- a Sample copies of all service agreements used by the applicant that are subject to the requested change in accounting method. Indicate the particular parts of the service agreement that require the taxpayer to perform services.
- b If any parts or materials are provided, explain whether the obligation to provide parts or material is incidental (of minor or secondary importance) to an agreement providing for the performance of personal services.
- c If the change relates to contingent service contracts, explain how the contracts relate to merchandise that is sold, leased, installed, or constructed by the applicant and whether the applicant offers to sell, lease, install, or construct without the service agreement.
- d A description of the method the applicant will use to determine the amount of income earned each year on service contracts and why that method clearly reflects income earned and related expenses in each year.
- e An explanation of how the method the applicant will use to determine the amount of gross receipts each year will be no less than the amount included in gross receipts for purposes of its books and records. See section 3.11 of Rev. Proc. 71-21.
- 2 If the applicant is requesting a deferral of advance payments for goods under Regulations section 1.451-5, attach the following information:
- a Sample copies of all agreements for goods or items requiring advance payments used by the applicant that are subject to the requested change in accounting method. Indicate the particular parts of the agreement that require the applicant to provide goods or items.
- b A statement providing that the entire advance payment is for goods or items. If not entirely for goods or items, a statement that an amount equal to 95% of the total contract price is properly allocable to the obligation to provide activities described in Regulations section 1.451-5(a)(1)(i) or (ii) (including services as an integral part of those activities).
- c An explanation of how the method the applicant will use to determine the amount of gross receipts each year will be no less than the amount included in gross receipts for purposes of its books and records. See Regulations section 1.451-5(b)(1).

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Schedule C - Changes Within the LIFO Inventory Method (see instructions)**Part I General LIFO Information**

Complete this section if the requested change involves changes within the LIFO inventory method. Also, attach a copy of all Forms 970, Application To Use LIFO Inventory Method, filed to adopt or expand the use of the LIFO method.

- 1 Attach a description of the applicant's present and proposed LIFO methods and submethods for each of the following items:
 - a Valuing inventory (e.g., unit method or dollar-value method).
 - b Pooling (e.g., by line or type or class of goods, natural business unit, multiple pools, raw material content, simplified dollar-value method, inventory price index computation (IPIC) pools, etc.).
 - c Pricing dollar-value pools (e.g., double-extension, index, link-chain, linkchain index, IPIC method, etc.).
 - d Determining the current year cost of goods in the ending inventory (e.g., most recent purchases, earliest acquisitions during the year, average cost of purchases during the year, etc.).
- 2 If any present method or submethod used by the applicant is not the same as indicated on Form(s) 970 filed to adopt or expand the use of the method, attach an explanation.
- 3 If the proposed change is not requested for all of the LIFO inventory, specify the inventory to which the change is and is not applicable.
- 4 If the proposed change is not requested for all of the LIFO pools, specify the LIFO pool(s) to which the change is applicable.
- 5 Attach a statement addressing whether the applicant values any of its LIFO inventory on a method other than cost. For example, if the applicant values some of its LIFO inventory at retail and the remainder at cost, the applicant should identify which inventory items are valued under each method.
- 6 If changing to the IPIC method, attach a completed Form 970 and a statement indicating the indexes, tables, and categories the applicant proposes to use.

Part II Change in Pooling Inventories

- 1 If the applicant is proposing to change its pooling method or the number of pools, attach a description of the contents of, and state the base year for, each dollar-value pool the applicant presently uses and proposes to use.
- 2 If the applicant is proposing to use natural business unit (NBU) pools or requesting to change the number of NBU pools, attach the following information (to the extent not already provided) in sufficient detail to show that each proposed NBU was determined under Regulations section 1.472-8(b)(1) and (2):
 - a A description of the types of products produced by the applicant. If possible, attach a brochure.
 - b A description of the types of processes and raw materials used to produce the products in each proposed pool.
 - c If all of the products to be included in the proposed NBU pool(s) are not produced at one facility, the applicant should explain the reasons for the separate facilities, indicate the location of each facility, and provide a description of the products each facility produces.
 - d A description of the natural business divisions adopted by the taxpayer. State whether separate cost centers are maintained and if separate profit and loss statements are prepared.
 - e A statement addressing whether the applicant has inventories of items purchased and held for resale that are not further processed by the applicant, including whether such items, if any, will be included in any proposed NBU pool.
 - f A statement addressing whether all items including raw materials, goods-in-process, and finished goods entering into the entire inventory investment for each proposed NBU pool are presently valued under the LIFO method. Describe any items that are not presently valued under the LIFO method that are to be included in each proposed pool.
 - g A statement addressing whether, within the proposed NBU pool(s), there are items both sold to unrelated parties and transferred to a different unit of the applicant to be used as a component part of another product prior to final processing.
- 3 If the applicant is engaged in manufacturing and is proposing to use the multiple pooling method or raw material content pools, attach information to show that each proposed pool will consist of a group of items that are substantially similar. See Regulations section 1.472-8(b)(3).
- 4 If the applicant is engaged in the wholesaling or retailing of goods and is requesting to change the number of pools used, attach information to show that each of the proposed pools is based on customary business classifications of the applicant's trade or business. See Regulations section 1.472-8(c).

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Part III	Change in Reporting Income From Long-Term Contracts (Also complete Part III on pages 7 and 8.)
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- Part II**
- Change in Valuing Inventories Including Cost Allocation Changes**
- (Also complete Part III on pages 7 and 8.)

- 4a Check the appropriate boxes below.

Identification methods:

Specific Identification

FIFO

LFO

Other (attach explanation)

Valuation methods:

Cost

Cost or market, whichever is lower

Retail cost

Retail, lower of cost or market

Other (attach explanation)

- [illegible]

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Part III Method of Cost Allocation (Complete this part if the requested change involves either property subject to section 263A or long-term contracts as described in section 460 (see instructions).)**Schedule A - Allocation and Capitalization Methods**

Attach a description (including sample computations) of the present and proposed method(s) the applicant uses to capitalize direct and indirect costs properly allocable to real or tangible personal property produced and property acquired for resale, or to allocate and, where appropriate, capitalize direct and indirect costs properly allocable to long-term contracts. Include a description of the method(s) used for allocating indirect costs to intermediate cost objectives such as departments or activities prior to the allocation of such costs to long-term contracts, real or tangible personal property produced, and property acquired for resale. The description must include the following:

- 1 The method of allocating direct and indirect costs (i.e., specific identification, burden rate, standard cost, or other reasonable allocation method).
- 2 The method of allocating mixed service costs (i.e., direct reallocation, step-allocation, simplified service cost using the labor-based allocation ratio, simplified service cost using the production cost allocation ratio, or other reasonable allocation method).
- 3 The method of capitalizing additional section 263A costs (i.e., simplified production with or without the historic absorption ratio election, simplified resale with or without the historic absorption ratio election including permissible variations, the U.S. ratio, or other reasonable allocation method).

Section B - Direct and Indirect Costs Required To Be Allocated (Check the appropriate boxes in Section B showing the costs that are or will be fully included, to the extent required, in the cost of real or tangible personal property produced or property acquired for resale under section 263A or allocated to long-term contracts under section 460. Mark 'N/A' in a box if those costs are not incurred by the applicant. If a box is not checked, it is assumed that those costs are not fully included to the extent required. Attach an explanation for boxes that are not checked.)

	Present method	Proposed method
1 Direct material		
2 Direct labor		
3 Indirect labor		
4 Officers' compensation (not including selling activities)		
5 Pension and other related costs		
6 Employee benefits		
7 Indirect materials and supplies		
8 Purchasing costs		
9 Handling, processing, assembly, and repackaging costs		
10 Offsite storage and warehousing costs		
11 Depreciation, amortization, and cost recovery allowance for equipment and facilities placed in service and not temporarily idle		
12 Depletion		
13 Rent		
14 Taxes other than state, local, and foreign income taxes		
15 Insurance		
16 Utilities		
17 Maintenance and repairs that relate to a production, resale, or long-term contract activity		
18 Engineering and design costs (not including section 174 research and experimental expenses)		
19 Rework labor, scrap, and spoilage		
20 Tools and equipment		
21 Quality control and inspection		
22 Bidding expenses incurred in the solicitation of contracts awarded to the applicant		
23 Licensing and franchise costs		
24 Capitalizable service costs (including mixed service costs)		
25 Administrative costs (not including any costs of selling or any return on capital)		
26 Research and experimental expenses attributable to long-term contracts		
27 Interest		
28 Other costs (Attach a list of these costs.)		

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Part III Method of Cost Allocation (see instructions) (continued)**Schedule C - Other Costs Not Required To Be Allocated** (Complete Section C only if the applicant is requesting to change its method for these costs.)

	Present method	Proposed method
1 Marketing, selling, advertising, and distribution expenses		
2 Research and experimental expenses not included on line 26 on page 7		
3 Bidding expenses not included on line 22 on page 7		
4 General and administrative costs not included in Section B on page 7		
5 Income taxes		
6 Cost of strikes		
7 Warranty and product liability costs		
8 Section 179 costs		
9 On-site storage		
10 Depreciation, amortization, and cost recovery allowance not included on line 11 on page 7		
11 Other costs (Attach a list of these costs.)		

Schedule E - Change in Depreciation or Amortization (see instructions)

Applicants requesting approval to change their method of accounting for depreciation or amortization complete this section. Applicants must provide this information for each item or class of property for which a change is requested.

Note: See the List of Automatic Accounting Method Changes in the instructions for information regarding automatic changes under sections 55, 167, 168, 187, 1400i, 1400L, or former section 168. Do not file Form 3115 with respect to certain late elections and election revocations (see instructions).

- 1 Is depreciation for the property determined under Regulations section 1.167(a)-11 (CLADR)? ☐ Yes ☐ No
If "Yes," the only changes permitted are under Regulations section 1.167(a)-11(d)(1)(iii).
- 2 Is any of the depreciation or amortization required to be capitalized under any Code section (e.g., section 263A)? ☐ Yes ☐ No
If "Yes," enter the applicable section: _____
- 3 Has a depreciation or amortization election been made for the property (e.g., the election under section 168(f)(1)? ☐ Yes ☐ No
If "Yes," state the election made: _____
- 4a To the extent not already provided, attach a statement describing the property being changed. Include in the description the type of property, the year the property was placed in service, and the property's use in the applicant's trade or business or income-producing activity.
 - b If the property is residential rental property, did the applicant live in the property before renting it? ☐ Yes ☐ No
 - c Is the property public utility property? ☐ Yes ☐ No
- 5 To the extent not already provided in the applicant's description of its present method, explain how the property is treated under the applicant's present method (e.g., depreciable property, inventory property, supplies under Regulations section 1.162-3, nondepreciable section 263(a) property, property deductible as a current expense, etc.).
- 6 If the property is not currently treated as depreciable or amortizable property, provide the facts supporting the proposed change to depreciate or amortize the property.
- 7 If the property is currently treated and/or will be treated as depreciable or amortizable property, provide the following information under both the present (if applicable) and proposed methods:
 - a The Code section under which the property is or will be depreciated or amortized (e.g., section 168(g)).
 - b The applicable asset class from Rev. Proc. 87-56, 1987-2 C.B. 674, for each asset depreciated under section 168 (MACRS) or under section 1400L; the applicable asset class from Rev. Proc. 83-35, 1983-1 C.B. 745, for each asset depreciated under former section 168 (ACRS); an explanation why no asset class is identified for each asset for which an asset class has not been identified by the applicant.
 - c The facts to support the asset class for the proposed method.
 - d The depreciation or amortization method of the property, including the applicable Code section (e.g., 200% declining balance method under section 168(b)(1)).
 - e The useful life, recovery period, or amortization period of the property.
 - f The applicable convention of the property.

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PRIVATE LABEL SOURCING, LLC

22-3800350

FORM 3115

PART II - INFORMATION FOR ALL REQUESTS

STATEMENT

1

LINE

DESCRIPTION OR EXPLANATION

COPY

12	DESCRIPTION	PRESENT METHOD	PROPOSED METHOD	OVERALL METHOD
	PREPAID EXPENSES	CAPITALIZE	12 MONTH RULE + ACCRUAL	
			3 1/2 month rule under sec. 1.263(a)-4(e)	

13	DESCRIPTION	BUSINESS ACCOUNTED FOR CODE	SEPARATELY	GOODS AND SERVICES
	METHOD OF ACCOUNTING REQUESTING CHANGE			
	IMPORTER	424300	YES	WOMEN'S APPAREL
	ACCRUAL	YES		

14 NOT IN ACCORDANCE WITH GAAP

PRIVATE LABEL SOURCING, LLC

22-3800350

FORM 3115

PART IV - SECTION 481(A) ADJUSTMENT

STATEMENT 2

LINE

DESCRIPTION OR EXPLANATION

COPY

25 PREPAID EXPENSES CAPITALIZED AND PAID IN THE PRIOR TAX YEAR.

STATEMENT(S) 2

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2004.05080 PRIVATE LABEL SOURCING, LLC 22380031

Form **8800**
(Rev. September 2003)
Department of the Treasury
Internal Revenue Service

Application for Additional Extension of Time to File
U.S. Return for a Partnership, REMIC, or for Certain Trusts

OMB No. 1545-1057

File a separate application for each return.

Type or print.	Name	Employer identification number
File the original and one copy by the due date for filing the return for which an extension is requested. See instructions.	PRIVATE LABEL SOURCING, LLC	22-3800350
	Number, street, and room or suite no. (if a P.O. box, see instructions)	
	597 BROADWAY	
	City or town, state, and ZIP code. If a foreign address, enter city, province or state, and country. Follow the country's practice for entering the postal code.	
	NEW YORK, NY 10012	

- 1 I request an additional extension of time until OCTOBER 17, 2005 to file (check only one):
☐ Form 1041 ☐ Form 1041-A ☐ Form 1041-QRT ☒ Form 1065 ☐ Form 1065-B ☐ Form 1066
- 2 If the entity does not have an office or place of business in the United States, check this box ☐
- 3 a For calendar year 2004, or other tax year beginning _____ and ending _____
 b If this tax year is for less than 12 months, check reason: ☐ Initial return ☐ Final return ☐ Change in accounting period

4 Explain why the entity needs an extension. All entities filing this form must give an adequate explanation.

ADDITIONAL TIME IS NEEDED TO GATHER ALL INFORMATION NECESSARY TO PREPARE A COMPLETE AND ACCURATE RETURN.

INTERNAL REVENUE SERVICE

124 RECEIVED

JUL 05 2005

BATCHING UNIT
COVINGTON, KY

5 Has the entity filed Form 8735 to request an extension of time to file for this tax year? ☒ Yes ☐ No

If you checked "No," we will grant an extension only for undue hardship. Fully explain the hardship on line 4.

Signature and Verification

Under penalties of perjury, I declare that I have examined this form, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete, and that I am authorized to prepare this form.

Signature

Chen D'Amico

Title

CPA

Date

6/30/05

File original and one copy. The IRS will show below whether or not your application is approved and will return the copy.

Notice to Applicant - To Be Completed by the IRS.

☒ We have approved this application. Please attach this form to the entity's return.

☐ We have not approved this application.

However, we have granted a 10-day grace period to _____. This grace period is considered a valid extension of time for elections otherwise required to be made on a timely return. Please attach this form to the entity's return.

☐ We have not approved this application. After considering the reasons stated in item 4 above, we cannot grant this request for an extension of time to file. We are not granting a 10-day grace period.

☐ We cannot consider this application because it was filed after the due date of the return for which an extension was requested.

☐ Other: _____

By:

Director

Date

If you want a copy of this form to be returned to an address other than that shown above, please enter the address to which the copy should be sent.

Type or print	Name
	PRIVATE LABEL SOURCING, LLC
	C/O MAHONEY COHEN & COMPANY, CPA, P.C.
	Number, street, and room or suite no. (if a P.O. box, see instructions)
	111 WEST 40TH STREET
	City or town, state, and ZIP code. If a foreign address, enter city, province or state, and country. Follow the country's practice for entering the postal code.
	NEW YORK, NY 10018

Form **8736**
(Rev. October 2003)
Department of the Treasury
Internal Revenue Service

**Application for Automatic Extension of Time
To File U.S. Return for a Partnership, REMIC,
or for Certain Trusts**

OMB No. 1545-1054

▶ File a separate application for each return.

Type or print.	Name PRIVATE LABEL SOURCING, LLC	Employer identification number 22-3800350
File by the due date for filing the return for which an extension is requested.	Number, street, and room or suite no. If a P.O. box, see instructions. 597 BROADWAY City or town, state, and ZIP code. If a foreign address, enter city, province or state, and country. Follow the country's practice for entering the postal code. NEW YORK, NY 10012	

1 I request an automatic 3-month extension of time to file (check only one):
☐ Form 1041 ☐ Form 1041-N ☐ Form 1041-QFT ☒ Form 1065 ☐ Form 1065-B ☐ Form 1066

2 If the entity does not have an office or place of business in the United States, check this box ☐

3 a For calendar year 2004, or other tax year beginning _____ and ending _____
 b If this tax year is for less than 12 months, check reason:
☐ Initial return ☐ Final return ☐ Change in accounting period

4 If this extension is requested for Form 1041, 1041-N, 1041-QFT, 1065-B, or 1066, enter the following amounts:

a Tentative total tax from Form 1041, 1041-N, 1041-QFT, 1065-B, or 1066 (see instructions) \$ _____

b Refundable credits and estimated tax payments, including any prior year overpayment allowed as a credit, from Form 1041, 1041-N, 1041-QFT, or 1065-B (see instructions). REMICs, enter -0- \$ _____

c Balance due. Subtract line 4b from line 4a. If zero or less, enter -0-. Enclose payment, if any, with Form 8730 (see instructions) ▶ \$ 0.

Caution: Interest will be charged on any tax not paid by the regular due date of Forms 1041, 1041-N, 1041-QFT, 1065-B, and 1066 from the due date until the tax is paid.

JWA For Paperwork Reduction Act Notice, see instructions.
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Form 8736 (Rev. 10-2003)

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2004.03000 PRIVATE LABEL SOURCING, LLC 22380031

1065 Form Department of the Treasury Internal Revenue Service		U.S. Return of Partnership Income For calendar year 2005, or tax year beginning _____, and ending _____		OMB No. 1545-0099 2005
A Principal business activity IMPORTER	Use the IRS label. Otherwise, print or type.	Name of partnership PRIVATE LABEL SOURCING, LLC Number, street, and room or suite no. If a P.O. box, see the instructions. 597 BROADWAY City or town, state, and ZIP code NEW YORK, NY 10012		D Employer identification number 22-3800350 E Date business started 07/01/2001 F Total assets \$ 1,538,210.
B Principal product or service WOMEN'S APPAREL				
C Business code number 424300				
G Check applicable boxes: (1) Initial return (2) Final return (3) Name change (4) Address change (5) Amended return H Check accounting method: (1) Cash (2) <input checked="" type="checkbox"/> Accrual (3) Other (specify) _____ I Number of Schedules K-1. Attach one for each person who was a partner at any time during the tax year 2				

Caution: Include **only** trade or business income and expenses on lines 1a through 22 below. See the instructions for more information.

Income	1 a Gross receipts or sales	1a	10,205,095.		1c	10,205,095.
	b Less returns and allowances	1b				
	2 Cost of goods sold (Schedule A, line 8)	2	8,338,835.			
	3 Gross profit. Subtract line 2 from line 1c	3	1,866,260.			
	4 Ordinary income (loss) from other partnerships, estates, and trusts (attach schedule)	4				
	5 Net farm profit (loss) (attach Schedule F (Form 1040))	5				
	6 Net gain (loss) from Form 4797, Part II, line 17 (attach Form 4797)	6				
	7 Other income (loss) (attach schedule)	7	1,573,187.			
8 Total income (loss). Combine lines 3 through 7	8	3,439,447.				
Deductions (see instructions for limitations)	9 Salaries and wages (other than to partners) (less employment credits)	9	1,517,006.			
	10 Guaranteed payments to partners	10	365,894.			
	11 Repairs and maintenance	11	25,481.			
	12 Bad debts	12	250,000.			
	13 Rent	13	175,707.			
	14 Taxes and licenses	14	104,448.			
	15 Interest	15	165,944.			
	16 a Depreciation (if required, attach Form 4562)	16a	50,251.			
	b Less depreciation reported on Schedule A and elsewhere on return	16b		16c	50,251.	
	17 Depletion (Do not deduct oil and gas depletion.)	17				
	18 Retirement plans, etc.	18				
	19 Employee benefit programs	19	121,051.			
	20 Other deductions (attach schedule)	20	1,321,576.			
	21 Total deductions. Add the amounts shown in the far right column for lines 9 through 20	21	4,097,358.			
22 Ordinary business income (loss). Subtract line 21 from line 8	22	<657,911.>				

Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete. Declaration of preparer (other than general partner or limited liability company member) is based on all information of which preparer has any knowledge.			
Sign Here	Signature of general partner or limited liability company member	Date	May the IRS discuss this return with the preparer shown below (see instr.)? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
Paid Preparer's Use Only	Preparer's signature Firm's name (or yours if self-employed), address, and ZIP code ROSENBERG RICH BAKER BERMAN & CO. 380 FOOTHILL RD, P.O. BOX 6483 BRIDGEWATER, NJ 08807-0483	Check if self-employed <input type="checkbox"/> EIN 22-3271252 Phone no. 908-231-1000	Preparer's SSN or PTIN 155-52-4522